

SBA

Oct 31 1973.

142,566.63

TO MY PATIENTS:

A new, highly purified influenza virus vaccine, Fluogen[®], has been developed and will be available for the 1970-71 "flu season."

Fluogen provides the maximum protection available against influenza, with a minimum chance of reactions.

I have ordered Fluogen for use in my practice this year.

If you and the members of your family wish to be immunized for the coming flu season, please call my office to schedule an appointment.

HEBER CREEFF, INC.
BALANCE SHEET - UNAUDITED
OCT 31, 1973

DESCRIPTION	ACCOUNT NUMBER	CURRENT PERIOD	PRIOF YEAR	CHANGE
ASSETS				
CURRENT ASSETS				
CHANGE FUNDS	1005	375.00	.00	375.00CR
CASH IN BANK - FIRST SECURITY	1010	171.50	50.13	121.37CR
CASH IN ZIONS BANK	1011	12,907.85CR	529.99	13,437.88
SUBSCRIPTIONS RECEIVABLE	1012	.00	.00	.00
RETURNED CHECKS	1015	.00	.00	.00
ACCOUNTS RECEIVABLE	1018	.00	2,599.18	2,599.18
EMPLOYEE RECEIVABLES	1020	.00	.00	.00
INVENTORY - TIES	1150	4,933.68	2,983.60	1,950.08CR
INVENTORY - SWITCH TIES	1155	1,068.16	339.84	728.32CR
INVENTORY - RAILS AND MISCELLANECUS	1160	866.42	866.42	.00
PREPAID EXPENSES	1170	1,020.50	2,582.00	1,561.50
TOTAL CURRENT ASSETS		4,472.63CR	9,951.16	14,423.79
FIXED ASSETS				
RESTORATION OF CARS	1303	60,493.82	55,007.02	5,486.80CR
EQUIPMENT	1310	34,338.02	28,206.62	6,131.40CR
TRUCK & AUTO	1340	3,783.70	3,783.70	.00
LEASEHOLD IMPROVEMENTS	1350	40,243.42	39,711.14	532.28CR
LAND	1410	.00	.00	.00
BUILDING	1412	51,378.12	31,004.53	20,373.59CR
TRACK AND SIGNALS	1420	2,280.90	.00	2,280.90CR
ALLOWANCE FOR DEPRECIATION	1490	22,384.77CR	10,687.24CR	11,697.53
TOTAL FIXED ASSETS		170,133.21	147,025.77	23,107.44CR
OTHER ASSETS				
PRE-OPERATING COSTS & DEVELCP. EXP.	1510	20,357.38	20,357.38	.00
ORGANIZATION EXPENSE	1520	3,084.18	3,084.18	.00
PRE-REGISTRATION COSTS	1525	4,926.67	4,926.67	.00
PREPAID LEASE - FOUNDATION	1530	36,529.30	23,845.01	12,684.29CR
PREPAID LEASE - A - UPPER SECTION	1531	1,055.60	979.50	76.10CR
PREPAID LEASE - B - LOWER SECTION	1532	.00	.00	.00
AMORT. OF PRE-OP. COSTS & ORGAN. EXP.	1590	10,910.78CR	7,003.90CR	3,906.88
TOTAL OTHER ASSETS		55,042.35	46,188.84	8,853.51CR

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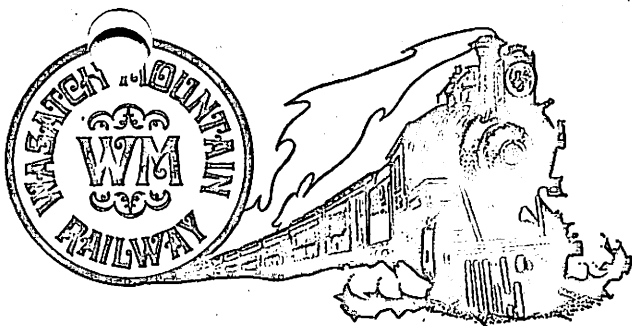
DESCRIPTION	ACCOUNT NUMBER	CURRENT PERIOD	PRICE YEAR	CHANGE
TOTAL ASSETS	246,378.88	220,702.93	203,165.77	17,537.16CR
LIABILITIES & STOCKHOLDERS EQUITY				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	2010	.00	.00	.00
LOAN PAYABLE - SBA	2015	142,566.63CR	90,922.05CR	51,644.58
LOAN PAYABLE - ZIONS	2016	9,500.00CR	9,500.00CR	.00
LOANS PAYABLE - STOCKHOLDERS	2020	.00	.00	.00
DEPOSITS - CHARTER INCOME	2030	.00	.00	.00
LEASE PAYABLE - RAILROAD LINE	2060	.00	7,627.28CR	7,627.28CR
SALES TAX	2100	.00	194.15CR	194.15CR
FICA PAYABLE	2110	90.94CR	121.67CR	30.73CR
FEDERAL WH TAX PAYABLE	2120	78.30CR	147.50CR	69.20CR
STATE WH TAX PAYABLE	2130	12.54CR	89.00CR	76.46CR
STATE UNEMPLOYMENT TAX PAYABLE	2150	.00	163.13CR	163.13CR
FEDERAL UNEMPLOYMENT TAX PAYABLE	2160	.00	30.20CR	30.20CR
STATE INSURANCE PAYABLE	2170	.00	441.90CR	441.90CR
TOTAL CURRENT LIABILITIES		152,248.41CR	109,236.88CR	43,011.53
STOCKHOLDERS EQUITY				
CAPITAL STOCK	2500	110,964.00CR	110,964.00CR	.00
RETAINED EARNINGS	2501	17,035.11	7,259.42	9,775.69CR
NET INCOME		25,474.37	9,775.69	15,698.68CR
TOTAL STOCKHOLDERS EQUITY		96,473.47	93,928.89CR	25,474.37CR
TOTAL LIAB & STOCKHOLDERS EQUITY		220,702.93CR	203,165.77CR	17,537.16

HEBER CREEPER, INC.
INCOME STATEMENT - UNAUDITED
FOR PERIOD ENDED OCT 31, 1973

DESCRIPTION	ACCOUNT NUMBER	CURRENT PERIOD AMOUNT %	CURRENT YR-TO-DTE AMOUNT %	PRIOR YEAR END AMOUNT %
INCOME				
ADULT TICKET SALES	3001	3,768.31CR	97,418.69CR	99,197.45CR
CHILD TICKET SALES	3002	562.51CR	23,613.33CR	20,818.92CR
CHARTER TICKET SALES	3003	1,450.00CR	10,019.66CR	7,932.60CR
RESIDENT PASS SALES	3004	.00	368.42CR	480.00CR
GIFT SHOP INCOME	3010	65.22CR	7,600.10CR	.00
COMBINE CAR INCOME	3011	.00	.00	1,073.98CR
NON-TICKET SALES	3020	.00	157.66CR	2,978.96CR
MISCELLANEOUS INCOME	3040	.00	74.92CR	480.30CR
PURCHASE DISCOUNTS	3050	44.28CR	155.06CR	364.00CR
TOTAL INCOME		5,890.32CR	139,407.84CR	133,326.21CR
COST OF SALES				
NON-TICKET PURCHASES	3620	.00	1,114.33	2,357.02
PURCHASE OF NOVELTIES	3625	.00	4,342.71	.00
TOTAL COST OF SALES		.00	5,457.04	2,357.02
EXPENSES RAILROAD OPERATION				
ADVERTISING	4001	743.20	19,011.58	17,095.48
DUES AND SUBSCRIPTIONS	4002	.00	60	69.00
COMMISSIONS	4003	.00	14.86	263.43
LEGAL	4004	.00	343.55	822.01
INSURANCE	4005	174.45	11,951.00	9,627.19
INTEREST	4006	.00	10,947.37	4,000.05
TOOLS	4008	10.14	1,986.37	1,921.69
REP. & MAINT. - ROLLING STOCK	4009	7.52	1,558.13	2,387.34
REP. & MAINT. - TRACK & SIGNALS	4010	.00	3,705.30	2,991.73
REP. & MAINT. - BLDGS & STRUCTURES	4011	13.03	2036.08	1,020.05
ACCOUNTING	4012	.00	542.97	1,200.00
EMPLOYEE UNIFORMS	4013	.00	79.87	212.81
WAGES - RESTORATION OF ENGINES	4015	.00	550.00	166.66
WAGES - LAGOON - REVOLVING ACCT.	4016	76.00	2,668.62	.00
WAGES - GENERAL & ADMINISTRATIVE	4017	1,450.00CR	17327.89	15,620.72
WAGES - TRACK	4018	.00	8,531.22	.00
WAGES - OFFICE	4019	239.35	3,374.63	2,218.69
WAGES - RESTORATION OF CARS	4020	.00	5,300.51	.00
WAGES - STEWARDS & STEWARDESSES	4021	231.75	8,363.37	7,624.92

HEBER CREEPER, INC.
INCOME STATEMENT - UNAUDITED
FOR PERIOD ENDED OCT 31, 1973

DESCRIPTION	ACCOUNT NUMBER	CURRENT PERIOD AMOUNT %	CURRENT YR-TO-DTE AMOUNT %	PRIOR YEAR END AMOUNT %
WAGES - ENGINEER, FIREMAN & CONDUCTOR	4022	375.00	8,413.08	6,801.78
WAGES - MAINTENANCE - ENGINES	4023	.00	378.60	5,213.93
WAGES - MAINTENANCE - CARS	4024	.00	20.00	236.25
WAGES - YARD	4025	83.05	1,565.71	1,504.50
ENGINE SERVICE	4026	172.09CR	5,693.62 3384.57	5,993.33
BANK AND CREDIT CARD CHARGES	4028	.00	117.54	129.23
OFFICE SUPPLIES AND POSTAGE	4030	8.79	1,292.37	1,324.07
CLEANING SUPPLIES	4031	2.49	680.67	875.10
TELEPHONE	4032	.00	1,343.29	1,970.97
TICKETS	4033	.00	451.44	463.87
TRUCK TRACTOR & EQUIPMENT EXPENSE	4034	17.29CR	1,867.69	1,501.65
TRAVEL	4035	.00	491.20	1,266.03
PROMOTIONAL EXPENSES	4036	5.43	701.38	3,013.06
UTILITIES	4037	.00	1,066.67	754.29
FUEL	4038	.00	12,089.98 9589.98	10,387.13
GENERAL	4040	13.53	1,427.79	301.99
PAYROLL TAXES	4041	1,372.59	5,652.54	4,882.65
PAYROLL INSURANCE	4042	.00	63.32CR	63.32
PROPERTY TAXES	4044	.00	4.99	1,852.70
TAXES AND LICENSES	4045	.00	315.38	42.00
DEPRECIATION	4050	1,185.67	11,697.53	8,912.27
AMORT. - ORG. & PRE-OPERATING COSTS	4052	390.71	3,906.88	4,688.32
BAD DEBTS	4055	.00	.00	28.00
LEASE EXPENSE - RAILROAD LINE	4060	.00	.00	11,474.10
CASH OVER AND SHORT	4090	.00	29.33CR	177.43CR
TOTAL EXPENSES		3,293.32	159,425.17 13,888.22	140,744.88
NET INCOME		2,597.00CR	25,474.37 2,142.58	9,775.69



HEBER CREEPER

P.O. BOX 69, HEBER CITY, UTAH, 84032

PHONE: (801) 654-2621

Journal Entries to be made to Railroad Books to make consistent with previous accounting practices.

	Dr.	Cr.
1. Dr. 4001	2628.22	
Cr. 4002		2628.22

Misclassification of check on advertising, charged to Dues, should be advertising.

2. Dr. 1310	550.15	
Cr. 4011		550.15

Air conditioner expensed, should have capitalized as Equipment.

*3. Dr. 1530	550.00	
Cr. 4015		550.00

Wages on Engine ~~13~~ Restoration should be charged to Prepared Lease-Foundation.

*4. Dr. 1018-(?)	2666.62	
Cr. 4016		2666.62

Wages paid to employees of Lagoon should be recoverable from Lagoon as they are responsible.

*5. Dr. 1350-(?)	8531.22	
Cr. 4018		8531.22

Wages on track should be capitalized.

*6. Dr. 1303	5304.51	
Cr. 4020		5304.51

Wages required to upgrade and restore cars should be capitalized.



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December 11, 1973

Receivable Items not reflected on Statement:

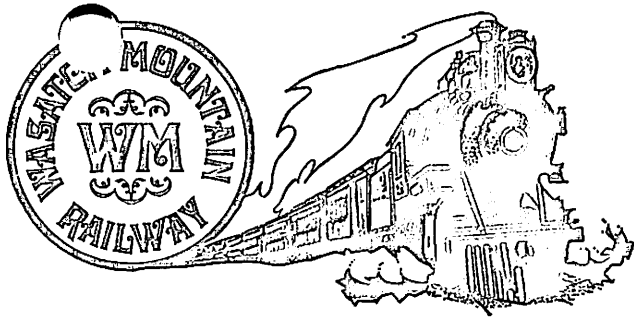
1. Profit from Lagoon, at this date we estimate they owe us approximately 3500.00, including wages as noted, could be greater.
2. Insurance Claim: Submitted as 3400.00. Company claims contributory negligence, which is true, offered 60-66% settlement--probable of acceptability 80% or \$2700.00.
3. Mountainland Bill due on Caboose, they owe us 1200.00 as coverage of our costs for moving Caboose to Mainstreet.

Expense Items not part of Statements or proposed Journal entries:

1. Property taxes--3100.00 (paid)
2. Misc. Bills not paid--2000.00 (checks not written)
3. Lease Payment Due--7600.00 (Due in January)
4. Disputed account with U.P.--\$1260.00 (?)

Expenses that are perhaps over charged:

1. Much of our Insurance is payable through next year.
2. ☐ Lease Credit prorated now due on track work.



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MAJOR QUESTION THE BOARD OF DIRECTORS MUST ANSWER FOR THE COMING YEAR:

Management feels that we are at the most critical time since we started. Partly this is due to the fact that we vastly underestimated the amount of capital that would be required, and didn't go public when we perhaps should have. (should have listened to Bill S.) Also, it is extremely difficult to determine just what effect the energy crisis will have on us. While I feel fairly confident that the Federal Government will not allow us to go into a severe economic slump, (for the temporary discontinuance of the restrictions of automobile emissions and the allowance for modification of all exhistng cars alone would eliminate the gasoline shortage by increasing mileage per vehicle by between 9% to 15%). and the Governor of the State of Utah has announced that he feels tourism must be considered equal to other types of industries in the State, and Heber Valley still has the natural advantage of close promimity to the Wasatch Front. The population is going to do what recreation travel it can, as close to home as possible, and go to an area offering the greatest variety of things to do.

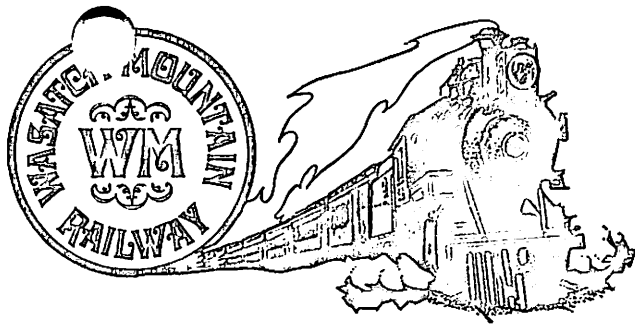
My analysis of the situation is that regardless of however the economy will react, it will still pay us to operate rather than to cease operation, and individually assume the cost of the debt repayment.

The most critical decision will be then whether or not to continue the run to the Bridal Viel Falls, or curtail it to the Dam.

I have made the following comments pertaining to the decision, many of you can add others, which should be made part of the minutes of the directors meeting.

A. Savings by only running to the Dam:

1. Track Work: The most serious problems we face are in the canyon. Light guage rail, water seepage, rocky right of way, inadequate ballast, slumpage, hump area, possible problems with Bridge, hard to reach by work crew, all are factors affecting the Canyon much more than the area from Heber to the Dam. This is undoubtly the biggest reason contributing to the possible decision to curtail the operation.



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to the possible decision to curtail the operation.

2. Time: We can cut off up to 1/5 hours per run. This allows us to make more runs per day, being more flexible for more people. However, one of our problems is cleaning the train between runs. This could possibly require more stewardesses, at least during the between run period. But, shorter trains could be handled easier by fewer people, making a net reduction in Stewardesses required. The time we ran the dual train concept, the results were: Heber Valley: 556 long trips to 938 short trips, 63% chose short trips. Bridal Veil Falls: 90 long trips to 568 short trips, 86% chose short trips when they all had the option.

3. Bridal Veil Falls problems: We have to have an office girl there. It is a shalocky operation with an increasingly poor image. Poor parking is a bad problem. It did not develop anywhere near the appeal we anticipated, approximately 22% of the years patrons boarded at Bridal Veil Falls.

4. Energy Crisis: This may be the only time we could get away with the curtailment of our length of line and the public, but it as an excuse, and the Utah Public Service Commission concede to the request.

5. Possible Savings on Lease Payment: Lower half, is much more expensive.

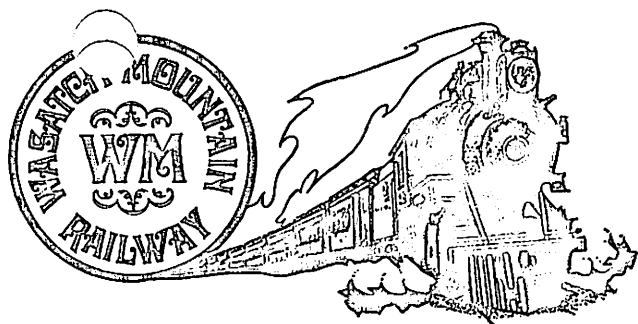
6. Higher Gross per passenger mile possible without adverse public attitude.

B. Possible Problems resulting from curtailment of Canyon Portion:

1. Poor public relations move. Possible indication of economic weakness on our part just at a time when we need a show of strength.

2. Just possible that if we leave the Canyon now, we could never get back, and one part of the original battle was to help preserve the Canyon.

3. If reduction in length of run and a corresponding reduction in fares does not result in an equal number or an increase in number of passengers, then we could have a serious drop in total revenue without a corresponding decrease in expenses, and the fixed expenses will not change



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much, and too much of our expenses are fixed and do not fluxuate by the length of the line. There is some savings, but not that much.

4. The State of Utah may not let us cut the service. Utah County could be damned upset.

5. Bridal Veil Falls is still closer to a mass of people than Heber is, if things really get tough.

6. Present brochure, major cost of advertising, should be completely redone for short run, relatively low cost in present form for long run.

Expenses Projection - 1974 Year

			1	2	3
			Short Run to DMM Low	Combination Medium	Long Run To B.V.F High
1		Advertising	6000 ⁰⁰	9000 ⁰⁰	12000 ⁰⁰
2					
3		Legal	0	100 ⁰⁰	500 ⁰⁰
4					
5		INSURANCE	8000 ⁰⁰	9000 ⁰⁰	10000 ⁰⁰
6					
7		Interest	10000 ⁰⁰	10000 ⁰⁰	10000 ⁰⁰
8					
9		Tools	500 ⁰⁰	750 ⁰⁰	1000 ⁰⁰
10					
11	B*	Repairs & Main - Rolling Stock	10000 ⁰⁰	15000 ⁰⁰	20000 ⁰⁰
12					
13	B*	✓ ✓ TRACK -	0	4000 ⁰⁰	5000 ⁰⁰
14		✓ ✓ Building -	500 ⁰⁰	500 ⁰⁰	500 ⁰⁰
15		Accounting	500 ⁰⁰	900 ⁰⁰	1200 ⁰⁰
16					
17		Uniforms -	150 ⁰⁰	90 ⁰⁰	100 ⁰⁰
18					
19	B*	Wages - C - P H. -	15000 ⁰⁰	18000 ⁰⁰	18000 ⁰⁰
20					
21	B*	Wages = TRACK -	5000 ⁰⁰	15000 ⁰⁰	7000 ⁰⁰
22					
23	B*	Wages - OFFICE -	30000 ⁰⁰	32000 ⁰⁰	34000 ⁰⁰
24					
25	B*	✓ Restoration CHRS	-	200 ⁰⁰	300 ⁰⁰
26					
27		✓ Stewards & Stewardesses	6000 ⁰⁰	7000 ⁰⁰	8000 ⁰⁰
28	C*	Lagoon -	(2500)	(8500 ⁰⁰)	(2500 ⁰⁰)
29		✓ Eng, FIRE & Con.	6000	7000	8000
30					
31	B*	✓ Maintenance Engng	2500 ⁰⁰	3000 ⁰⁰	3700 ⁰⁰
32					
33		✓ YARD -	750 ⁰⁰	1000 ⁰⁰	1300 ⁰⁰
34					
35		Office Supplies & Postage -	500 ⁰⁰	500 ⁰⁰	750 ⁰⁰
36					
37		Cleaning Supplies -	500 ⁰⁰	100 ⁰⁰	700 ⁰⁰
38					
39		Telephone -	800 ⁰⁰	900 ⁰⁰	1000 ⁰⁰
40					
		(Subtotal)	164750	81240 ⁰⁰	94450 ⁰⁰

Expense Projection Continued

		1 Low	2 Med -	3 High
		Short Run to DFM	Long-Short Run	Long Run to B.V.F.
1	Tickets	250 ⁰⁰	300 ⁰⁰	400 ⁰⁰
2	TRUCK/TRACTOR Expense -	1000 ⁰⁰	1250 ⁰⁰	1500 ⁰⁰
3				
4	C * Utilities -	1000 ⁰⁰	1200 ⁰⁰	1500 ⁰⁰
5				
6	B * Fuel	5000 ⁰⁰	6000 ⁰⁰	7000 ⁰⁰
7				
8	C * PAYROLL TAXES	5500 ⁰⁰	5500 ⁰⁰	5500 ⁰⁰
9				
10	TAXES & LICENSES -	3500 ⁰⁰	3500 ⁰⁰	3500 ⁰⁰
11				
12	DEPRECIATION -	12000 ⁰⁰	12000 ⁰⁰	12000 ⁰⁰
13				
14	FMORT - PR & Op. Costs -	3500 ⁰⁰	3500 ⁰⁰	3500 ⁰⁰
15				
16	B * Lease Expense	2600 ⁰⁰	2600 ⁰⁰	2600 ⁰⁰
17				
18	Gen misc Contingency	2000 ⁰⁰	5000 ⁰⁰	4000 ⁰⁰
19				
20	Subtotal	36350 ⁰⁰	37850 ⁰⁰	42000 ⁰⁰
21				
22	TOTAL -	103030 ⁰⁰	124590 ⁰⁰	142450 ⁰⁰
23				
24	Non CRSH Expense Potential	SAVINGS: (see * A)		
25	Deprec	12000 ⁰⁰	12000 ⁰⁰	12000 ⁰⁰
26	Am. P. O. C. -	3500 ⁰⁰	3500 ⁰⁰	3500 ⁰⁰
27	Wages - GPH	7000 ⁰⁰	7000 ⁰⁰	7000 ⁰⁰
28	✓ TRUCK -	2500 ⁰⁰	3000 ⁰⁰	3500 ⁰⁰
29	✓ Restoration CRSH	-	200 ⁰⁰	300 ⁰⁰
30	✓ Maintenance	1000 ⁰⁰	1500 ⁰⁰	1000 ⁰⁰
31		26000 ⁰⁰	27200 ⁰⁰	27900 ⁰⁰
32	Note PRINCIPLE Payment -	16000 ⁰⁰	16000 ⁰⁰	16000 ⁰⁰
33				
34	Actual CRSH Required -	\$93030 ⁰⁰	\$109390 ⁰⁰	\$129550 ⁰⁰
35				
36	*A - Expense Items that could be saved by some important account by labor for stock exchange.			
37				
38				
39	B - Expense Items that applied by Short Run Change			
40	C - Costs that will probably be paid by Lagoon but not in future			